2SHB 2019 - H AMD **341**

By Representative Quall

- 5 Strike everything after the enacting clause and insert the 6 following:
- 7 "NEW SECTION. Sec. 1. INTENT. The legislature intends to 8 authorize the establishment of charter schools for the purpose of 9 providing a unique setting for learning that will improve pupil 10 achievement and provide additional public school choices for students, 11 parents, and teachers.
- NEW SECTION. Sec. 2. DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
 - (1) "Applicant" means a nonprofit corporation that has submitted an application to a sponsor to obtain approval to operate a charter school. "Applicant" also means a person or group of persons who have prepared an application to incorporate as a nonprofit corporation and who have submitted an application to a sponsor to operate a charter school. The nonprofit corporation must either be a public benefit nonprofit corporation as defined in RCW 24.03.490, or a nonprofit corporation as defined in RCW 24.03.005 that has applied for tax-exempt status under section 501(c)(3) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)). An applicant may not be a sectarian or religious organization and must meet initial requirements established by the internal revenue service for a public benefit nonprofit corporation before receiving any funding under section 14 of this act.
 - (2) "Charter" means a contract between an applicant and a sponsor. The charter establishes, in accordance with this chapter, the terms and conditions for the management, operation, and educational program of the charter school.
 - (3) "Charter school" means a public school managed by an applicant's board of directors and operating independently of any school district board under a charter approved in accordance with this chapter.

- 1 (4) "Board of directors" means the board of directors of the public 2 benefit nonprofit corporation that manages and operates the charter 3 school.
- 4 (5) "Sponsor" means the school district in which the charter school is located, the state and regional universities as defined in RCW 28B.10.016, or The Evergreen State College.

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- NEW SECTION. Sec. 3. CHARTER SCHOOLS--POWERS. (1) The charter school's board of directors may hire, manage, and discharge any charter school employee in accordance with the terms of this chapter and that school's charter.
- (2) The charter school's board of directors may enter into a contract with any school district, or any other public or private entity also empowered to enter into contracts, for any and all real property, equipment, goods, supplies, and services, including educational instructional services.
- (3) Charter schools may rent, lease, or own property, but may not acquire property by eminent domain. All charters and charter school contracts with other public and private entities must include provisions regarding the disposition of the property if the charter school fails to open as planned, closes, or the charter is revoked or not renewed. Charter schools may accept gifts and donations from other governmental and private entities, excluding sectarian or religious organizations. Charter schools may not accept any gifts or donations the conditions of which violate this chapter.
- 25 (4) Charter schools may not charge tuition, levy taxes, or issue 26 bonds, however they may charge fees to the same extent as other public 27 schools and school districts.
- NEW SECTION. Sec. 4. LEGAL STATUS. A charter school is a public school including one or more of grades kindergarten through twelve, operated according to the terms of a renewable five-year contract granted by a sponsor.
- NEW SECTION. Sec. 5. CHARTER SCHOOLS--EXEMPTIONS. (1) A charter school shall operate independently of any school district board, under a charter approved by a sponsor under this chapter.
- 35 (2) Charter schools are exempt from all state statutes and rules 36 applicable to school districts and school district boards of directors

- 1 except as provided in this chapter and in the school's approved 2 charter.
 - (3) A charter school's board of directors may elect to comply with one or more provisions of the statutes or rules that are applicable to school districts and school district board of directors.
 - (4) All approved charter schools shall:

- (a) Comply with state and federal health, safety, and civil rights laws and rules applicable to public schools;
- (b) Meet or exceed the student academic and assessment standards as established for students in other public schools, including the essential academic learning requirements and academic standards developed under a performance-based education system according to RCW 28A.630.885;
- 14 (c) Participate in nationally normed standardized achievement tests 15 as required in RCW 28A.230.190, 28A.230.230, and 28A.230.240;
 - (d) Employ certificated instructional staff in accordance with laws and rules applicable to other public schools within the district. Charter schools may hire noncertificated instructional staff with money received from nonstate sources;
- 20 (e) Comply with the employee record check requirements in RCW 21 28A.400.303;
 - (f) Be subject to financial audit by the state auditor;
- 23 (g) Comply with the annual performance report under RCW 24 28A.320.205;
 - (h) Report at least annually to its sponsor and to parents of children enrolled at the charter school on progress toward the student academic goals and other provisions specified in the charter; and
- 28 (i) Comply with the open public meetings act in chapter 42.30 RCW.
 - NEW SECTION. Sec. 6. ADMISSION REQUIREMENTS. (1) A charter school must enroll all students who submit a timely application. If capacity is insufficient to enroll all students who submit a timely application, the charter school must give enrollment priority to students who reside within the school district boundaries in which the charter school is physically located. Priority also must be given to siblings of students who are currently enrolled in the school. Students must be selected through an equitable selection process, such as a lottery, to fill any remaining spaces.

(2) A charter school may not limit admission based on race, religion, ethnicity, national origin, gender, income level, intellectual ability, disabling condition, proficiency in the English language, or athletic ability. A charter school may limit admission to students within a given age group or grade level.

6 <u>NEW SECTION.</u> **Sec. 7.** CHARTER APPLICATION--CHARTERING PROCESS.

- (1) An applicant may apply to a sponsor to establish a charter school as provided in this section.
- (2) An applicant for a charter school must submit its application to the local school district board of directors of the district in which the proposed school is to be located before the applicant submits an application to another sponsor.
- (3) The local school district board of directors must hold a public hearing in the school district on the application within sixty days of receipt of the application. The school board must either accept or reject the application within thirty days after the hearing. The thirty-day deadline for acceptance or rejection of the charter school application may be extended for an additional thirty days if both parties agree in writing.
- (4) If the local school board rejects the application, the school board must notify the applicant in writing of the reasons for the rejection. The applicant may submit a revised application for the school board's reconsideration. The school board may provide assistance to improve the application. If the school board rejects the application after submission of a revised application, the school board must notify the applicant in writing of the reasons for the rejection.
- (5) If the school board rejects the application, the applicant may either appeal the local school board's decision to the superintendent of public instruction as provided in section 10 of this act or may apply to another sponsor for a charter. The alternate sponsor must comply with the procedures specified in subsections (1) through (4) of this section for consideration of the charter application. The alternative sponsor is not bound by the school board's findings or decision to deny the application. If the applicant appeals to the superintendent of public instruction and the application is denied, the applicant may not apply to an alternate sponsor.
- (6) The superintendent of public instruction shall maintain copies of all approved charter applications. An applicant may obtain copies

of those applications from the office of the superintendent of public instruction.

- NEW SECTION. Sec. 8. APPLICATION REQUIREMENTS. The charter school application is a proposed contract and must include:
 - (1) The identification and description of the nonprofit corporation submitting the application, including the names and descriptions of the individuals who will operate the school;
- (2) The nonprofit corporation's proposed articles of incorporation, bylaws, and most recent financial statement and balance sheet;
 - (3) A mission statement for the proposed school, consistent with the description of legislative intent in this chapter;
 - (4) A description of the school's educational program, including curriculum and instructional strategies;
 - (5) A description of the school's admissions policy and marketing program, including deadlines for applications or admission;
 - (6) A description of student performance standards, which must meet those determined under RCW 28A.630.885, and be measured according to the assessment system determined under RCW 28A.630.885;
 - (7) A description of the plan for evaluating student performance and the procedures for taking corrective action in the event that student performance at the charter school falls below standards established in its charter;
 - (8) A description of school performance standards, which must meet those determined under any state-wide accountability system adopted by the legislature under RCW 28A.630.885(3)(h)(i);
 - (9) A description of the financial plan for the school. The plan shall include: (a) A proposed five-year budget of projected revenues and expenditures; (b) a plan for starting the school; (c) a five-year facilities plan; (d) evidence supporting student enrollment projections of at least twenty students; and (e) a description of major contracts planned for equipment and services, leases, improvements, purchases of real property, and insurance;
 - (10) A description of the proposed financial management procedures, including annual audits of the school's financial and administrative operations, which shall meet or exceed generally accepted standards of management and public accounting;
- (11) An assessment of the school's potential legal liability and a description of the types and limits of insurance coverage the nonprofit

- corporation plans to obtain that are adequate. For purposes of this subsection, a liability policy of one million dollars is adequate;
- 3 (12) A description of the procedures to discipline and dismiss 4 students; and

- (13) A description of procedures to assure the health and safety of students, employees, and guests of the school and to comply with applicable federal and state health and safety laws and regulations.
- NEW SECTION. Sec. 9. APPROVAL CRITERIA. Charter school applications shall be approved by a school district sponsor, or may be approved by an alternate sponsor if, and only if, in the discretion of the sponsor, after the exercise of due diligence and good faith:
- (1) The applicant and the individuals it proposes to manage the school are qualified to operate a charter school and implement the proposed educational program;
- (2) The mission statement is consistent with the description of legislative intent and restrictions on charter school operations in this chapter;
- (3) The school's proposed educational program is free from religious or sectarian influence;
- (4) The school's proposed educational program includes student academic standards that meet those determined under RCW 28A.630.885 and are measured according to the assessment system determined under RCW 28A.630.885;
- (5) The application includes a viable plan for evaluating pupil performance and procedures for taking appropriate corrective action in the event that pupil performance at the charter school falls below standards established in its charter;
- (6) The application includes school performance standards, which must meet those determined under any state-wide accountability system adopted by the legislature pursuant to RCW 28A.630.885(3)(h)(i);
- (7) The school's educational program, including curriculum and instructional strategies, has the potential to improve student performance as measured under section 8(8) of this act;
- (8) The school's admissions policy and marketing program is consistent with state and federal law;
- 36 (9) The financial plan for the school is designed to reasonably 37 support the charter school's educational program based on a review of

the proposed five-year budget of projected revenues, expenditures, and facilities;

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- (10) The school's financial and administrative operations, including its annual audits, meet or exceed generally accepted standards of accounting and management;
 - (11) The assessment of the school's potential legal liability, and the types and limits of insurance coverage the school plans to obtain, are adequate. For purposes of this subsection, a liability policy of one million dollars is adequate;
- 10 (12) The procedures the school plans to follow for discipline and dismissal of students are reasonable and comply with federal law;
 - (13) The procedures the school plans to follow to assure the health and safety of students, employees, and guests of the school comply with applicable state and federal health and safety laws and regulations;
 - (14) The applicant has met initial requirements established by the internal revenue service for a public benefit nonprofit corporation as defined in RCW 24.03.490; and
 - (15) Applicants proposing the conversion of a public school currently operated by a school district to charter school status provide adequate evidence that the proposed plan received the approval of eighty percent of the school's teachers. In addition, the application must be supported by sixty percent of the custodial parents or legal guardians of students enrolled in that school.

NEW SECTION. Sec. 10. APPEAL TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION. If a sponsor rejects a charter application, the applicant may submit a motion for appeal within thirty days to the superintendent of public instruction. The superintendent of public instruction may select and convene a review panel to review the appeal, to work with the sponsor and the applicant to reach an agreement, to provide assistance to the applicant to improve the application, and to make a recommendation to the superintendent regarding the appeal. superintendent shall conduct the review using the substantial evidence If the superintendent of public instruction approves an test. application to a school district sponsor, the school district sponsor shall enter into a charter with the applicant. If the superintendent denies an appeal from a rejection of the application by a school district, the applicant may not apply to another sponsor.

- superintendent of public instruction may not require a sponsor other than a school district to enter into a charter with an applicant.
- 3 <u>NEW SECTION.</u> **Sec. 11.** STUDY OF CHARTER SCHOOLS. The Washington 4 institute of public policy shall study the implementation and effectiveness of this act. The institute shall make recommendations to 5 the legislature about the effectiveness of charter schools and the 6 7 impact of charter schools. The institute shall also recommend changes to chapter 28A.-- RCW (sections 1 through 10, 12 through 21, 28, and 29 8 9 of this act) including improvements that could be made to the application and approval process. A report of the study is due to the 10 legislature by September 1, 1999. 11
- NEW SECTION. Sec. 12. CHARTER AGREEMENT--AMENDMENT. (1) A charter application approved by a sponsor with any changes made during the application process constitutes a charter.
- 15 (2) A charter may be amended during its term at the request of 16 either party and on the mutual approval of both the charter school 17 board of directors and the sponsor.

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- NEW SECTION. Sec. 13. CHARTER RENEWAL AND REVOCATION. (1) An approved plan to establish a charter school is effective for five years from the first day of operation. At the conclusion of the first four years of operation, the charter school may apply to the sponsor for renewal. A request for renewal must be submitted no later than twelve months before the expiration of the charter.
 - (2) A charter school renewal application must include:
- 25 (a) A report on the progress of the charter school in achieving the 26 goals, student performance standards, and other terms of the charter; 27 and
- 28 (b) A financial statement that discloses the costs of 29 administration, instruction, and other expenditure objects and 30 activities of the charter school.
- 31 (3) The sponsor may reject the application for renewal if, in its 32 judgment, any of the following occurred:
- 33 (a) The charter school materially violated its contract with the 34 sponsor, as set forth in the charter;

(b) The students enrolled in the charter school failed to meet or make reasonable progress toward achievement of the student performance standards identified in the charter;

- (c) The charter school failed to meet generally accepted standards of fiscal management; or
- (d) The charter school violated provisions in law that have not been waived in accordance with this chapter.
- (4) A sponsor shall give written notice of its intent not to renew the charter school's request for renewal to the charter school within one month of the request for renewal to allow the charter school an opportunity to correct identified deficiencies in its operation. At the request of the board of directors of the charter school, the sponsor shall review its decision for nonrenewal after the charter school has corrected any identified deficiencies.
- (5) The sponsor may revoke a previously approved charter before the expiration of the term of the charter, and before application for renewal, for any of the reasons specified in subsection (3) of this section. Except in cases of emergency where the health and safety of children are at risk, a charter may not be revoked unless the sponsor first provides written notice of the specific violations alleged, a public hearing, and a reasonable opportunity for the charter school to correct the identified areas of concern. The sponsor of a charter school shall provide for an appeal process upon a determination by the sponsor that grounds exist to revoke a charter.

NEW SECTION. Sec. 14. FUNDING. (1) When the sponsor is a school district:

(a) For purposes of funding, students in charter schools shall be considered students of the sponsoring district for general fund apportionment purposes. The sponsoring school district shall provide funding for charter schools on a per student basis in amounts the schools would have received if the students were enrolled in a noncharter school in the district. No local levy moneys approved by the voters before the effective date of this section may be allocated to charter schools. However, the superintendent of public instruction shall allocate replacement funds equal to the per pupil levy money the school would have received if the charter school was eligible to receive local levy moneys. Charter school funding shall include local levy funds for levies approved on or after the effective date of this

section. Funding for charter schools shall include regular apportionment, categorical, nonbasic education, and maintenance and operating levy funds, as appropriate; and

- (b) A charter school is eligible for state matching funds for common school construction if a sponsoring school district determines it has received voter approval of local capital funds for the project.
- (2)(a) When the sponsor is not a school district, students in charter schools shall be considered students of the district in which the charter school is located for general fund apportionment purposes. The superintendent of public instruction shall provide funding for charter schools on a per student basis in amounts the schools would have received if the students were enrolled in a noncharter school in the district. The funding shall include regular apportionment, categorical, and nonbasic education funds.
- (b) If the sponsor is not a school district, no local levy money may be allocated to the charter school. However, the superintendent of public instruction shall allocate replacement funds equal to the per pupil levy money the school would have received if sponsored by the local school district in which the charter school is located.
- NEW SECTION. Sec. 15. ADMINISTRATION FEE. To offset costs of oversight and administering the charter, a sponsor may retain up to two percent of state funding and local excess levy funding, if applicable, that is being driven to the charter school.
 - NEW SECTION. Sec. 16. CHARTER SCHOOL ASSISTANCE ACCOUNT. The charter school assistance account is created in the custody of the state treasurer. All receipts from appropriations shall be deposited into the account. Expenditures from the account may be used only to provide financial grants to approved charter schools for start-up costs. Charter schools may receive up to two hundred fifty dollars per student for start-up costs. Only the superintendent of public instruction or the superintendent's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. Start-up moneys shall be distributed to schools with approved charters on a first-come, first-served basis.

<u>NEW SECTION.</u> **Sec. 17.** RULES--GRANTS. The office of the superintendent of public instruction shall adopt rules to implement section 16 of this act.

If an applicant for a charter school receives a grant under section 16 of this act and fails to begin operating a charter school within the next eighteen months, the applicant must immediately reimburse the office of the superintendent of public instruction for the amount of the grant.

NEW SECTION. Sec. 18. CONVERSION SCHOOLS. A public school currently operated by a school district may apply for conversion to a public charter school if the conversion to a charter school is supported by sixty percent of the custodial parents or legal guardians of students enrolled in that school and eighty percent of the certificated employees at the school. Evidence of the results must be attached to the application. If the parents and teachers decide to convert the school to a charter school, the parents and teachers must meet the definition of applicant in section 2 of this act to apply for a charter. Teachers who do not want to remain employed at the charter school may be reassigned to another school within the district without any loss of benefits or status. If a parent does not want his or her child to attend the charter school, the child may attend another school within the district.

NEW SECTION. Sec. 19. LEAVES OF ABSENCE. If a school district employee makes a written request for an extended leave of absence to work at a charter school, the school district shall grant the request. The school district may require that the request for a leave be made up to ninety days before the employee would otherwise have to report for duty. The leave shall be granted for up to three years. If the employee returns to the school district within the three-year period, the employee shall be hired before the district hires anyone else with fewer years of service, with respect to any position for which the returning employee is certificated or otherwise qualified.

NEW SECTION. Sec. 20. CAPS ON CHARTER SCHOOLS. (1) Except as provided in subsections (2) and (3) of this section, until June 1, 2000, no more than a total of five percent of the annual average full-time equivalent students enrolled in the school district in which the

- charter school is located may be enrolled in a charter school or schools in the district.
- 3 (2) The cap on enrollments in a charter school shall not apply to 4 public schools that convert to charter schools under section 18 of this 5 act.
- 6 (3) School districts with student enrollment of less than one 7 thousand students may not be a sponsor of a charter school until June 8 1, 2000.
- 9 NEW SECTION. Sec. 21. LABOR RELATIONS. (1) Employees of a charter school are public employees. It is the intent of the 10 legislature that employees of a charter school may enter into 11 collective bargaining agreements with the board of directors of the 12 13 charter school under chapters 41.56 and 41.59 RCW, as applicable. 14 Employees of a charter school may join an appropriate bargaining unit limited to the employees of the charter school or may join with an 15 appropriate unit within the district or educational service district. 16
 - (2) Teachers employed by charter schools are eligible for and retain their status in the Washington state teachers' retirement system under chapter 41.32 RCW.
- 20 (3) Classified employees employed by charter schools are eligible 21 for and retain their status in the public employees' retirement system 22 under chapter 41.40 RCW.
- 23 **Sec. 22.** RCW 28A.150.010 and 1969 ex.s. c 223 s 28A.01.055 are each amended to read as follows:
- Public schools shall mean the common schools as referred to in Article IX of the state Constitution and those schools and institutions of learning having a curriculum below the college or university level as now or may be established by law and maintained at public expense.
- 29 A charter school as defined in section 4 of this act is a public
- 30 <u>school.</u>

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- NEW SECTION. Sec. 23. A new section is added to chapter 41.32 RCW to read as follows:
- Teachers employed by charter schools as defined in section 4 of this act are members under this chapter. Charter schools are employers under this chapter.

NEW SECTION. **Sec. 24.** A new section is added to chapter 41.40 RCW to read as follows:

Classified employees employed by a charter school as defined in section 4 of this act are members under this chapter. Charter schools are employers under this chapter.

6 <u>NEW SECTION.</u> **Sec. 25.** A new section is added to chapter 41.56 RCW 7 to read as follows:

This chapter applies to charter schools as defined in section 4 of this act and the charter school's employees included in the bargaining unit. Employees of charter schools may join an appropriate bargaining unit limited to the employees of the charter school or may join an appropriate unit within the district or the educational service district.

NEW SECTION. Sec. 26. A new section is added to chapter 41.59 RCW to read as follows:

This chapter applies to collective bargaining agreements between charter schools and the employees of charter schools included in the bargaining unit. Employees of charter schools may join an appropriate bargaining unit limited to the employees of the charter school or may join an appropriate unit within the district or the educational service district.

Sec. 27. RCW 41.59.080 and 1975 1st ex.s. c 288 s 9 are each amended to read as follows:

The commission, upon proper application for certification as an exclusive bargaining representative or upon petition for change of unit definition by the employer or any employee organization within the time limits specified in RCW 41.59.070(3), and after hearing upon reasonable notice, shall determine the unit appropriate for the purpose of collective bargaining. In determining, modifying or combining the bargaining unit, the commission shall consider the duties, skills, and working conditions of the educational employees; the history of collective bargaining; the extent of organization among the educational employees; and the desire of the educational employees; except that:

(1) A unit including nonsupervisory educational employees shall not be considered appropriate unless it includes all such nonsupervisory educational employees of the employer; and (2) A unit that includes only supervisors may be considered appropriate if a majority of the employees in such category indicate by vote that they desire to be included in such a unit; and

- (3) A unit that includes only principals and assistant principals may be considered appropriate if a majority of such employees indicate by vote that they desire to be included in such a unit; and
- (4) A unit that includes both principals and assistant principals and other supervisory employees may be considered appropriate if a majority of the employees in each category indicate by vote that they desire to be included in such a unit; and
- (5) A unit that includes supervisors and/or principals and assistant principals and nonsupervisory educational employees may be considered appropriate if a majority of the employees in each category indicate by vote that they desire to be included in such a unit; and
- (6) A unit that includes only employees in vocational-technical institutes or occupational skill centers may be considered to constitute an appropriate bargaining unit if the history of bargaining in any such school district so justifies; and
- (7) Notwithstanding the definition of collective bargaining, a unit that contains only supervisors and/or principals and assistant principals shall be limited in scope of bargaining to compensation, hours of work, and the number of days of work in the annual employment contracts; and
- (8) A unit that includes only employees of a charter school as defined in section 4 of this act may be considered appropriate or the employees may join other appropriate bargaining units in the school district or educational service district. The employees may decide the unit appropriate by a majority vote of the employees.
- NEW SECTION. Sec. 28. RULES. The superintendent of public instruction shall adopt rules to implement this chapter.
- 31 <u>NEW SECTION.</u> **Sec. 29.** CAPTIONS NOT LAW. Captions used in this 32 chapter do not constitute any part of the law.
- NEW SECTION. Sec. 30. Sections 1 through 10, 12 through 21, 28, and 29 of this act constitute a new chapter in Title 28A RCW.

- NEW SECTION. Sec. 31. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.
- NEW SECTION. Sec. 32. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 1997, in the omnibus appropriations act, this act is null and void."
- 9 Correct the title.

--- END ---